

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1753 - SB 1834

January 31, 2022

SUMMARY OF BILL: Requires Tennessee Comprehensive Assessment Program (TCAP) tests to be administered in paper format for students in grades three through eight (3-8). Authorizes the Commissioner of the Department of Education (DOE) to determine whether the TCAP end-of-course (EOC) assessments will be administered in a computerized, online, or paper format for students in grades nine through twelve (9-12). Authorizes a local education agency (LEA) to administer EOC assessments in paper format for students in grades nine through twelve (9-12) in lieu of an online or computer format selected by the Commissioner of DOE. Applies to tests administered in the 2022-23 school year and subsequent years.

FISCAL IMPACT:

**Increase State Expenditures - \$2,566,100/FY22-23
\$4,335,700/FY23-24 and Subsequent Years**

Other Fiscal Impact – Expenditures related to the proposed changes to TCAP testing administration do not exceed the annual maximum liability in the contract with NCS Pearson, Inc. Therefore, it is reasonably estimated that DOE’s budget will have sufficient funds and will not require an additional budget appropriation to cover the additional expenditures.

Assumptions:

- Tennessee Code Annotated § 49-6-6013 provides the Commissioner of DOE with sole authority to determine the format for TCAP tests administered in the 2020-21 school year.
- For the 2021-22 school year, TCAP tests will be administered in paper format for grades two through eight and online for high school EOC assessments.
- The proposed legislation modifies TCAP testing and EOC assessment procedures for the 2022-23 school year and subsequent years as follows:
 - Removes the authority of the Commissioner of DOE to determine the TCAP testing format for grades 3-8;
 - Maintains the Commissioner of DOE’s authority to determine the format for EOC assessments for students in grades 9-12; and
 - Authorizes an LEA to seek a waiver to administer EOC assessments for students in grades 9-12 in paper format if the Commissioner of DOE determines that EOC assessments will be administered in an on-line or computerized format.

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- DOE determines the appropriate administration mode and works with NCS Pearson, Inc., the state's test administration vendor, to develop, prepare, deliver, administer, score, and report the tests.
- DOE has planned expenditures through the contract with NCS Pearson, Inc., totaling \$13,250,512 in FY22-23 and \$11,485,230 in FY23-24.
- The current contract with NCS Pearson, Inc., terminates in 2024; thus, future expenses related to TCAP testing administration will change in FY24-25 and subsequent years.
- DOE currently chooses only one mode for test administration per grade and per subject area and plans to administer TCAP testing and EOC assessments as follows:

Testing Cohort	2022-2023	2023-2024	Proposed 2022-2023
EOC Grades 9-12	online	online	paper and online
TCAP Grades 6-8	online	online	paper
TCAP Grades 3-5	paper	online	paper
ALT* Test	paper	paper	paper
Grade 2	paper	paper	paper
Grade 2 ALT Test	paper	paper	paper

*ALT testing is an abbreviation for “alternate” testing, which is a modified format of the assessments for students with the most significant cognitive disabilities (about 1% of the total student population).

- If the proposed legislation is passed into law, it is assumed that in determining which format to administer EOC assessments to students in grades 9-12, 75 percent of high schools will use computer-based testing and 25 percent will use paper-based-testing for the 2022-23 school year and subsequent years.
- DOE currently plans to use a computer-based testing format for the administration of TCAP testing for students in grades 6-8 in the 2022-23 school year; the proposed legislation will require a paper-based testing format for the administration of TCAP testing for students in grades 6-8 for the 2022-23 school year.
- Under the proposed legislation, the expanded use of paper-based testing in grades 3-8 and grades 9-12 will increase testing costs for printing, shipping, and administration in the 2022-23 and 2023-24 school years.
- The proposed legislation is estimated to result in an expenditure total of \$15,816,613 in FY23-24; this will increase state expenditures by \$2,566,101 in FY22-23 (\$15,816,613 - \$13,250,512).
- The proposed legislation is estimated to result in an expenditure total of \$15,820,933 in FY23-24; this will increase state expenditures by \$4,335,703 in FY23-24 and subsequent years (\$15,820,933 - \$11,485,230), assuming the expenditures of \$11,485,230 in FY23-24 would remain constant in subsequent years under current law.
- The maximum liability under the contract with NCS Pearson, Inc., is \$17,358,420 in FY22-23 and \$17,362,740 in FY23-24.
- The expenditure totals under the proposed changes are below the maximum liability in the contract with NCS Pearson, Inc. and it is reasonably estimated that DOE will have funds within their budget to meet the annual maximum liability allocation in FY22-23 and FY23-24.

- Schools will be able to administer TCAP and EOC testing in compliance with the proposed legislation and within existing resources.
- Any impact to local government expenditures is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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